European and External Affairs Committee

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European Commission Work Programme 2011: Identifying potential key priorities for Fourth Assembly Committees

Date: 22 March 2011

Overview

This paper has been prepared as a supplement to the Legacy Report of the European and External Committee, and is intended to inform potential priorities on European issues for consideration by the new Committees to be established by the Fourth Assembly.

It is based on the European Commission's Work Programme for 2011, which was published on 27 October 2010, and which primarily covers the 2011 period but also gives an indication of foreseen initiatives being considered for the period 2012-2014. A number of the issues – such as the debate over the Multi-Annual Financial Framework, future of EU Cohesion Policy, future of the Common Agriculture Policy and so on – will run through into 2012 and potentially beyond in terms of formal negotiation and adoption of legislative proposals.

This paper has also been prepared in the context of the broad remit of activities that the European and External Affairs Committee has undertaken as set out in the EEAC Strategic Approach adopted in January 2009.1

Action for the Committee:

To consider and adopt the attached update paper to accompany the European and External Affairs Committee Legacy Report, which will inform Members of the Fourth Assembly.

Contents

1. Introduction: Strategic Approach to European and External Affairs ........................................ 3
2. European Commission Work Programme 2011: overview ...................................................... 3
   2.1. Overview ............................................................................................................................ 3
   2.2. Strategic Initiatives for 2011 ............................................................................................ 4
   2.3. Other initiatives of potential interest to the Assembly ...................................................... 5
   2.4. Existing proposals within the EU-decision making process .............................................. 6
3. Potential priority areas for Committees of the Fourth Assembly .............................................. 7
1. **Introduction: Strategic Approach to European and External Affairs**

In January 2009 the Committee adopted a strategic approach to its work on European and External Affairs. This identified four areas of work:

- Scrutiny of the Welsh Assembly Government (including the Assembly Government’s engagement in European issues and external affairs, and its work to raise the profile of Wales internationally)
- Pursuing key strategic European proposals
- Monitoring specific on-going European legislative proposals, including their subsidiarity implications
- Understanding and participation (including the work of the Welsh MEPs, Welsh Committee of the Regions representatives, the engagement of the National Assembly for Wales in external relations)

In determining which key European policy issues to prioritise, in particular in terms of the first of these three areas of work (although it also informs the fourth area), the Committee each year reviews the European Commission’s Work Programme, which sets out those areas that the Commission is anticipating working on in the forthcoming year.

The focus of this paper is the 2011 European Commission Work Programme. Given the Assembly elections in May, the paper is intended to inform potential priorities of new committees established by the Fourth Assembly.

2. **European Commission Work Programme 2011: overview**

2.1. **Overview**

The European Commission published its annual Work Programme for 2011 on 27 October 2010. This is the second Work Programme under the new Barroso Commission, and the first since adoption of the Europe 2020 Strategy at the European Council in June 2010.

This Work Programme has been developed within the framework of the political priorities presented by President Barroso in his State of the Union address to the European Parliament in September 2010, namely

- Dealing with the economic crisis and building the momentum of the recovery
- Restoring growth for jobs by accelerating the Europe 2020 reform agenda
- Building an area of freedom, justice and security
- Launching negotiations for a modern EU budget
- Pulling the EU's weight on the global stage
In particular the 2011 Work Programme places a strong focus on “accelerating recovery” and embedding the Europe 2020 strategy “as the backbone of efforts at EU and national level to deliver smart, sustainable and inclusive growth”.

The document includes an eleven-page narrative setting out the key themes and strategic initiatives to be delivered during 2011, building on the work started in the first Work Programme under the Barroso Commission (published in March 2010). It is accompanied by four technical annexes, providing details on the actions anticipated for 2011:

- Annex 1: a list of 40 strategic initiatives (legislative and non-legislative) scheduled for adoption during 2011. These are discussed in detail below – see “Strategic Initiatives for 2011” section. 
  (By way of comparison the Commission presented 34 strategic initiatives in 2010, 12 strategic initiatives in 2009, and 26 in 2008).
- Annex 2: an indicative list of 151 possible initiatives (under consideration) to be introduced during 2011 (92 in total – including “packages” of proposals in some areas) and for the 2012-2014 period (59 in total). This compares to the list of over 280 possible initiatives included in the 2010 Work Programme. As usual a broad range of policy areas is covered in these lists.
- Annexes 3 and 4: a list of simplification proposals and withdrawals.

As with each annual Work Programme the Commission only sets out new initiatives for 2011 and beyond. This does not tell the complete picture of activities taking place in Brussels, as there is a plethora of other proposals working their way through the legislative process from previous work programmes. There are also a number of areas of policy discussion high on the political agenda that are referenced in the 2011 Work Programme but without going into great detail, such as the debates over the future of Cohesion Policy and the future of the Common Agriculture Policy (CAP), which are considered within the context of the proposals for the future Multi-Annual Financing Framework (i.e. future EU Budget post 2013).

Section 2.4 below includes a selection of these issues not so explicitly referenced in the 2011 Work Programme that are nevertheless considered to be of particular importance to Wales.

2.2. Strategic Initiatives for 2011

The 40 strategic initiatives set out in the 2011 Work Programme are grouped into four themed areas, although the bulk of the actions (27 of the 40 proposed initiatives) are contained in the first themed area, on restoring growth, underlining the key priority focus of the 2011 Work Programme on economic recovery:

- Restoring growth for jobs: Accelerating towards 2020 (27 initiatives)
  Under this theme six “sub-headings” are identified:

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2 COM(2010)623 quotes from section 1: Introduction (page 3)
Economic governance: an area the Committee has followed as part of its work on the future of EU Cohesion Policy, EU Budget Review and Europe 2020. The Commission published a package of proposals in September 2010 as part of the ongoing reform of EU economic governance, and published the first Annual Growth Survey under Europe 2020 in January 2011.

Financial Regulation: a number of legislative proposals on further reforms to the financial sector aimed at avoiding a repeat of the financial crisis of autumn 2008.

Smart Growth: includes a non-legislative proposal on modernisation of the Higher Education system in Europe

Sustainable Growth: includes a proposal for a Directive on Energy Efficiency and Savings due in the second half of 2010

Inclusive Growth: includes revision of the Posted Workers Directive (towards end of 2011), revision of the Working Time Directive, and a non-legislative proposal on revision of the State aid rules applicable to the Services of General Economic Interest (SGEI)

Single Market reform: including an airports package of legislative and non-legislative proposals

- Pursuing the citizens' agenda: freedom, security and justice (7 initiatives)
  This package is primarily in areas where the UK Government has exclusive competence.

- Europe in the World: pulling our weight on the global stage (5 initiatives)
  This includes a green paper on enhancing EU enlargement policy and measures aimed at improving competitiveness of SMEs in global markets.

- From input to impact: making the most of EU policies (1 initiative)
  This initiative is potentially the most important for Wales (and the EU) during 2011, namely the publication in June of proposals for the future Multi-Annual Financial Framework (i.e. future EU Budget for post 2013). This has been one of the key priorities for the Committee over the past couple of years, and provides the broader context within which all of the policy debates over the next 1-2 years take place, including areas of particular interest to Wales such as the future of EU Cohesion Policy, the future of CAP, the Framework Research Programme, and other funding programmes in areas like lifelong learning.

2.3. Other initiatives of potential interest to the Assembly

In addition to the 40 strategic initiatives the Work Programme includes a list of 151 further possible initiatives for 2011 to 2014.

A number of these appear to be of potential interest from the Welsh perspective, although it will be clearer once the proposals are published as to whether or not they merit close attention.
These include:

**Anticipated for 2011:**

- **Modernisation of the EU Public Procurement Legislative Framework** – an issue that public bodies in Wales will follow closely, e.g. Welsh Local Government Association is treating this as a priority for 2011
- Review of the priority substances under the **Water Framework Directive**
- **Social Business Initiative** – series of legislative and non-legislative proposals aimed at promoting social business (by which we understand social enterprise) in the EU

**Anticipated for 2012-2014:**

- **Review of State Aid Guidelines** in preparation for issuing of new Commission Guidelines for period post 2013, which will include Regional Aid, Broadband Networks, and Restructuring Aid
- Package of legislative proposals in the area of **Animal Health** and **Plant Health** laws
- Package of legislative proposals to revise the **Veterinary Medicine** and **Medicated Feed legislation**
- Number of proposals in the area of **Maritime Policy**, including a Communication on stimulating “Blue Growth” from the maritime economy

**2.4. Existing proposals within the EU-decision making process**

As noted in section 2.1 a number of on-going initiatives are not captured or set out in great detail where they are mentioned in the Commission Work Programme for 2011, as these are either proposals that have already been published or initiatives where the Commission has been preparing the ground for future legislative proposals through consultations and other policy discussions.

Those considered of particular importance to Wales are the following:

- **Future of EU Cohesion Policy**: debate launched by the publication of the Fifth Cohesion Report in November 2010. As noted above formal legislative proposals are due in the second half of 2011, which will set out the proposed architecture of the new policy, the eligibility criteria to be used in determining which regions qualify for which intensity of support, and together with the debate on the overall EU budget, an idea of the levels of funding support that the Commission is seeking to secure to deliver this policy.

- **Future of the Common Agriculture Policy (CAP)**: as above, the debate was launched in the autumn last year through the Commission’s Communication and consultation on the future of CAP. The legislative proposals will be published in the second half of 2011.
Future of other EU funding programmes: such as the successors to the current Framework Research Programme, the Lifelong Learning Programme, the Competitiveness and Innovation Programme, and the various other themed programmes, all of which have been the subject of discussions and consultations during 2010 and the first quarter of 2011. Legislative proposals in these areas will be published in the second half of 2011 and into 2012.

Europe 2020 Thematic Flagship Initiatives: implementation of the seven flagship initiatives published during 2010 and early 2011, each of which contains a plethora of initiatives and actions planned for the coming years.

Milk Reforms Package: published in December 2010 this sets out a number of proposals aimed at addressing concerns raised by an expert High Level Group set up in 2010 in response to the dairy sector crisis of 2009. The legislative proposals are under consideration by the European Parliament and Council of Ministers, with implementation anticipated in 2012.

Agricultural Product Quality Package: also published in December 2010 following a consultation in 2009 and preparatory phase, the Commission has presented a package of legislative proposals to support improvements in agricultural product quality.

Authorisation of GMOs: in July 2010 the Commission presented a draft legislative proposal on changes to the rules that would allow Member States to ban cultivation of GMO crops on their territory. This was part of a package of initiatives presented by the Commission.

3. Potential priority areas for Committees of the Fourth Assembly

Based on the above analysis and taking into account the devolved competences of the Assembly and the work undertaken by Assembly Committees during the Third Assembly, the table below sets out a number of potential priority areas for the Fourth Assembly to consider.

These should be read in conjunction with the Legacy Report of the European and External Affairs Committee, and other relevant Committees, such as the Sustainability Committee, Rural Development Sub-Committee and Enterprise and Learning Committee.

In addition to this list there is work that the Assembly will undertake in accordance with the Subsidiarity Protocol of the Treaty of Lisbon, which introduced an Early Warning Mechanism whereby National Parliaments (EU Member State level), in consultation with the relevant sub-state or regional parliaments, may flag up any concerns they have on legislative proposals coming out of the EU Institutions.

Finally, given the EU policy-making process is ongoing, the Assembly’s EU Office will continue to monitor developments during 2011 and provide additional information and guidance on potential new and emerging priorities potentially of interest to the Fourth Assembly.

3 See DG Agriculture web-site
<table>
<thead>
<tr>
<th>Strategic issue</th>
<th>Action at EU</th>
<th>Why Assembly to prioritise?</th>
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<tbody>
<tr>
<td>Future of Cohesion Policy</td>
<td>Legislative proposals are due in the second half of 2011.</td>
<td>Continuation of work of the European and External Affairs Committee in this area during 2009-2011.</td>
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<td>Key issue for Wales given current level of structural funds (approx. €2 billion for 2007-2013).</td>
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<tr>
<td>Future reform of the Common Agriculture Policy (CAP)</td>
<td>Legislative proposals are due in the second half of 2011.</td>
<td>Continuation of work of Rural Development Sub-Committee during 2010.</td>
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<td></td>
<td></td>
<td>Key issue for Wales given current level of funds received from CAP (approx. €350m per annum).</td>
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<tr>
<td>Review of EU Budget</td>
<td>Presentation of proposals for new Multi-Annual Financial Framework (June 2011) for the period post 2013.</td>
<td>Directly relevant to work on Cohesion Policy, Europe 2020 Strategy and the future of CAP.</td>
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<td>Potential implications to all areas of EU funding that Wales benefits from.</td>
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<td></td>
<td>Implementation of the new governance arrangements to deliver Europe 2020 (including implementation of the UK National Reform Programme, due to be adopted in April 2011).</td>
<td>Direct relevance to other key issues like future of Cohesion Policy, CAP, future of EU Framework Research Programme.</td>
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<td>Clarification as to how aspirations of the Europe 2020 Strategy are translated into action in Wales (and also UK).</td>
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<td>EU Framework Research Programme (FP8)</td>
<td>Legislative proposals expected towards end of 2011.</td>
<td>Follow on from European and External Affairs Committee’s inquiry carried out in this area during 2010-2011.</td>
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<td>[Potentially could be broadened out to include other “EU programmes” outside of Cohesion Policy]</td>
<td></td>
<td>To what extent Welsh Government (and other stakeholders) is lobbying to influence shape of proposals, including in particular synergies with structural</td>
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<td>Committee Reference: EUR(3)-02-11</td>
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<td><strong>and CAP</strong></td>
<td>funds, and scope to build capacity and strengthen participation from Wales in the future.</td>
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▪ Proposed Directive will include Member State targets, set out the role of National Energy Efficiency Action Plans, and define instruments to develop the energy services market and roles of energy companies in promoting energy savings throughout the energy supply chain.  
▪ The Welsh Government has published a National Energy Efficiency Savings Plan, and the local authorities/Assembly Government have consenting powers for energy production up to 50 Mega Watts. However, the energy industry is regulated at UK level by OFGEM.  
▪ To review the extent to which actions proposed in the new Directive could/would be delivered in Wales, and the extent to which the Welsh Government can (and should) influence the UK position in negotiations in Brussels on the draft Directive. |
| **Revision of Working Time Directive**| ▪ Following failure to reach agreement during the last Commission a new proposal is planned for 4th quarter of 2011.  
▪ Review any implications of changes to the UK "opt out" in Wales, in particular in terms of working hours for key public sector workers. |
| **Legislative proposals for new Animal Health and Plant Health Laws**| ▪ Set out in the list of indicative initiatives planned for 2012.  
▪ This is an area of devolved competence, therefore, any proposed changes to the laws should be considered in terms of potential impact in Wales. |
| **Milk Reforms Package**| ▪ Published in December 2010 – proposals going through negotiations  
▪ Given agriculture is a largely devolved area of competence, the potential impact of the proposals on Wales is of particular significance. This is also linked to the wider debate on future reform of CAP. |
| **Agriculture Quality Product Package**| ▪ Published in December 2010 – proposals going through negotiations  
▪ As per above comments on Milk Package |
| **GMOs legislation**| ▪ Published in June 2010, proposals to allow Member States to ban cultivation of GMOs. Proposals going through negotiations.  
▪ The Welsh Government has a concordat with the DEFRA which allows them to determine GMO policy for Wales. |
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<tr>
<th>Access to basic banking services</th>
<th>Proposals not yet published but the Commission has flagged its intention to publish (likely in 2011 or 2012) as part of reforms of the Single Market and linked to European Platform Against Poverty</th>
<th>The House of Lords has highlighted this as an area to be monitored once the proposals are published, as they are not convinced of the need for European legislation in this area, arguing that basic banking services is best dealt with at Member State level. There may be particular issues in Wales regarding access to basic services in rural and urban areas</th>
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<tr>
<td>Directive on Patients’ Rights to Cross-Border Healthcare [This Directive has been adopted at EU level. The focus for future work is on transposition and implementation in the UK/Wales]</td>
<td>Agreement has been reached on this Directive, which is due to be formally adopted imminently in Brussels. The next phase will be implementation of the Directive into UK law</td>
<td>Given health is a devolved competence the preparation of implementation legislation for this Directive within the UK merits close scrutiny. To note the UK Government has 30 months (from end January 2011) to adopt national legislation to implement the changes introduced by the Directive. To note the inquiry carried out by the Committee during the Third Assembly, which culminated in the report adopted in July 2009.</td>
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